

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-70

November 8, 2002

CONSUMERS MAINE WATER COMPANY
- GREENVILLE, Proposed Rate Change
(\$41,847 Increase in Revenue)

AMENDED
ORDER APPROVING
STIPULATION

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order, we approve a Stipulation between the Public Advocate (OPA) and Consumers Maine Water Company's Greenville Division (Consumers) allowing an 11.54% rate increase.

II. BACKGROUND AND DECISION

On February 7, 2002, Consumers filed a proposed 11.85% rate increase for its Greenville Division. The primary reasons for the increase are system improvements and increased operating costs since rates last increased in 1994.

On March 19, 2002, a prehearing and a technical conference was held. The Public Advocate's petition to intervene was granted. Following a period of written discovery, a second phone conference was held on March 28, 2002.

On April 1, 2002, the Public Advocate and Consumers filed a stipulation to resolve all issues in this rate proceeding. Under the Stipulation, the Greenville Division's revenue requirement will increase \$40,847 or 11.54%. The stipulated revenue increase reflects a reduction of \$1,000 in normalized rate case expense from the \$2,537 annual amount requested in the filing to \$1,537. The parties agree that the rate increase will be allocated pro rata evenly across all metered and fire protection classes.

In approving a stipulation, we consider whether the parties joining the stipulation represent a sufficiently broad spectrum of interests, whether the process leading to the stipulation was fair and whether the stipulated result is reasonable and not contrary to legislative mandate. See e.g., *Consumers Maine Water Company, Proposed General Rate Increase of Bucksport and Hartland Divisions*, Docket No. 96-739 (July 3, 1997) at 2. The Public Advocate represents the using and consuming public, in this case the customers of both Divisions. The process of discovery and two technical conferences allowed an opportunity for all interested persons to gather information about the reasons for the increase.

We believe that the process was fair; all interested parties had an opportunity to participate. We find that the proposed Stipulation resolves this case consistent with the law and the public interest. We will therefore allow the rate schedules filed with the Stipulation to go into effect as of the date of this Order.

Accordingly, we

O R D E R

1. That the Stipulation (attached to this Order) filed in Docket No. 2002-70 on April 1, 2002 is approved.

2. That Greenville Division Rate Schedules Pages 1,2,3,4 (fourth revisions) filed on April 1, 2002 are approved.

Dated at Augusta, Maine, this 9th day of April, 2002.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 21 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket 2002-70

CONSUMERS MAINE WATER COMPANY
Re: Proposed Increase in Rates for its
Greenville Division

STIPULATION

It is understood and agreed to by and between Consumers Maine Water Company ("Company") and the Office of Public Advocate as follows:

I. Purpose

It is the purpose of this Stipulation Agreement to settle all the issues with respect to this proceeding, to avoid a hearing and to expedite the Public Utilities Commission's consideration and resolution of this proceeding. The provisions agreed to herein have been reached as a result of information gathered through the discovery process and discussions and negotiations with the Company.

II. Procedural History

On February 6, 2002, Consumers Maine Water Company filed a rate increase application for its Greenville Division requesting an 11.83% increase, or \$41,847 of additional annual revenue. This application was filed using a 2001 actual test year. A Petition of Intervention was filed by the Office of Public Advocate. The Commission received a letter from the Town of Greenville, but neither the Town nor any other party sought to intervene.

III. Stipulation Provisions

1. It is agreed that the record on which the Commission may base its determination in this matter shall consist of this Stipulation Agreement, all data requests and responses thereto, and any other material furnished by the Staff to the Commission, either orally or in writing, at the time of the Commission's consideration of these proceedings.
2. It is agreed that this Stipulation Agreement shall not be considered legal precedent, nor shall it preclude a party from raising issues addressed herein in any other Commission proceeding or investigation.
3. The total revenue requirement and revenue increase shall be as follows:

Revenue Increase

\$40,847

Annual Revenue Requirement

\$394,716

4. Allowed rate base is \$1,103,456.
5. The capital structure is based on 12/31/01 actual.
6. The stipulated revenue increase reflects a reduction of \$1,000 in normalized Rate Case Expense from the \$2,537 annual amount requested in the filing to \$1,537.
7. The parties agree that this rate increase will be allocated pro rata evenly across all metered and fire protection classes.
8. The Company shall file with this Stipulation compliance tariffs and a billing analysis showing the new rates. It is agreed that the new tariffs shall become effective on the earlier of the date of Commission Order or April 15, 2002.

It is agreed that this Stipulation Agreement represents the full agreement between the parties hereto and that rejection of any part of this agreement constitutes rejection of the whole.

DATED:

CONSUMERS MAINE WATER COMPANY

Judith W. Kelley, President

OFFICE OF THE PUBLIC ADVOCATE

DATED:

William C. Black
Deputy Public Advocate